

CLERK OF COURT  
DISTRICT OF MASS.

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

2004 MAY 32 P 5:07

BEVERLEE SCHWEIGHARDT and  
JOSEPH G. SCHWEIGHARDT,

Plaintiffs,

v.

CHARLES D. AXELROD, Trustee for  
the Liquidation of W.S. Clearing, Inc.,

Defendant.

FILED  
CLERK'S OFFICE

Case No. 04-10744 RWZ

JOINT MOTION TO STAY  
PENDING APPROVAL OF  
SETTLEMENT AGREEMENT

Defendant Charles D. Axelrod (the "Trustee"), as Trustee for the liquidation of W.S. Clearing, Inc., and Plaintiffs Beverlee and Joseph G. Schweighardt (the "Schweighardts") (collectively the "Parties"), hereby move to stay all proceedings in the above-captioned matter pending approval by the Bankruptcy Court for the Central District of California of a global settlement agreement between the parties which incorporates a stipulation of dismissal of this action with prejudice. As grounds for his Motion, the Parties state as follows:

1. This action was brought against the Trustee, in his capacity as a trustee appointed under the Securities Investor Protection Act ("SIPA"), in a civil action commenced on or about March 25, 2004 in the Superior Court for the Commonwealth of Massachusetts for Barnstable County under Civil Action No. 04-162 entitled Beverlee Schweighardt and Joseph G. Schweighardt, Plaintiffs, versus Charles D. Axelrod, Trustee for the Liquidation of W.S. Clearing, Inc., Defendant;

2. On April 9, 2004 the Trustee timely removed that action to this Court on the basis of federal question jurisdiction;

3. On April 20, 2004 this Court allowed Trustee's assented-to motion to extend the time to answer to May 17, 2004;

4. On May 7, 2004 this Court allowed Trustee's assented-to motion to further extend the time to answer to June 1, 2004, but further ordered that no more extensions would be allowed;

5. The Trustee was appointed for the liquidation of W. S. Clearing, Inc. ("WSC"), a California corporation with its principal place of business in Glendale, California, on or about March 5, 1997, by the United States Bankruptcy Court for the Central District of California;

6. On or about October 19, 1999 the Bankruptcy Court entered judgment in favor of the Trustee against the Schweighardts in the amount of approximately \$473,715.67;

7. This action arises out of the Trustee's efforts to satisfy his judgment against the Schweighardts;

8. The Parties have reached agreement as to the terms of a global settlement of all claims between them, including the claims brought in this action, and will submit their settlement agreement to the Bankruptcy Court for the Central District of California by June 17, 2004 for a hearing on July 14, 2004 pursuant to Federal Rule of Bankruptcy Procedure 9019(a);

9. Upon approval of the settlement agreement by the Bankruptcy Court the Parties will file a stipulation of dismissal of this action with prejudice; and

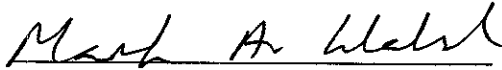
10. Allowance of this motion will prejudice neither this Court nor the public interest.

WHEREFORE, the Parties respectfully request that this Court stay all further proceedings in this matter pending the approval of the settlement agreement by the Bankruptcy Court.

Respectfully submitted,

CHARLES D. AXELROD, TRUSTEE  
FOR THE LIQUIDATION OF W.S. CLEARING

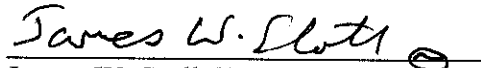
By his attorneys,



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Boston, Massachusetts 02110  
(617) 748-6800

BEVERLEE AND JOSEPH G. SCHWEIGHARDT

By their attorneys,



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Dated: June 1, 2004

LEBOEUF, LAMB, GREENE & MACRAE  
L.L.P.

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*June 1*

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June 1, 2004

**BY HAND**

Civil Clerk  
United States District Court for  
the District of Massachusetts  
United States Courthouse  
One Courthouse Way  
Boston, MA 02210

Re: Schweighardt v. Axelrod C.A. No. 04-10744 RWZ

Dear Sir/Madam:

Enclosed for filing is the parties' Joint Motion To Stay Pending Approval Of Settlement Agreement.

Kindly acknowledge receipt and filing of these documents by date-stamping the enclosed copy of this letter and returning it to our waiting messenger.

Yours truly,

*Mark A. Walsh*

Mark A. Walsh

Enclosure

cc: John S. Kinzey, Esq.  
James W. Stoll, Esq.  
Robert L. Harris, Esq.